

Payee vs. Expense Category: What Is the Difference?

A **payee** answers “Who did we pay?” An **expense category** answers “Why did we spend the money?”

Example: employee salary

- **Payee:** the employee’s name
- **Category:** Salary or Payroll

More examples

- Payee: Building Owner; Category: Rent
- Payee: Electric Company; Category: Utilities
- Payee: Local Newspaper; Category: Advertising

Using both fields consistently makes expense history and financial reporting much easier to analyze.

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